

LAO Proposal for Revenue Limit Equalization

June 1, 2006



The Governor, (A) and (S) all proposed to include \$300 million to equalize revenue limits across districts.

- (A) Noted intent to use alternative methodology to be specified in legislation.



Recent practice compares “base” revenue limits across districts (by size and type), then sets target at 90th percentile of average daily attendance.

LAO Recommendations:



Increase Funding by \$50 Million for Total of \$350 Million.



Revise Revenue Limit Calculation and Distribute Equalization Funding Based on Alternative Methodology.

- Include revenue limit “add-on” programs to address disparities among all sources of revenue limit general purpose funding.
- Consider providing districts with differential rates based on the grade levels served.